



USFR MEMORANDUM NO. 236

TO: School District Administrators; County School Superintendents

FROM: Magdalene D. Haggerty, Office of the Auditor General
Vicki G. Salazar, Arizona Department of Education (ADE)

DATE: July 22, 2008

SUBJECT: Revised Fiscal Year (FY) 2009 School District Annual Expenditure Budget Work Sheets
(Amends USFR Memorandum No. 234)

The Forty-eighth Legislature, Second Regular Session has now concluded, and additional legislation has been enacted that affects the work sheets issued on June 13, 2008, with USFR Memorandum No. 234. The resulting changes to the work sheets are described in this memorandum. Districts should still refer to USFR Memorandum No. 234 for basic instructions on completing their budgets.

In accordance with Arizona Revised Statutes §15-905(Q), if a district's adopted budget is based on incorrect limits, does not include items authorized by law, or does not otherwise conform to the law, the district may revise its budget at a public hearing on or before September 15 of the budget year to conform with the law. Districts that have proposed and adopted a budget using the original forms and work sheets and are affected by the changes described in this memorandum should revise their budgets by September 15, 2008, and submit them to the Superintendent of Public Instruction no later than September 18, 2008. **All districts should use the final work sheets for budget revisions during the fiscal year.**

These revised work sheets have been e-mailed to all districts and will also be available to download from the Auditor General's Web site at www.azauditor.gov/forms_schooldistrict.htm and ADE's Web Site at www.azed.gov/schoolfinance/Forms/Budgets.

Laws 2008, Ch. 287, §§6, 27, 47, 51, and 52

Work Sheet A—Rapid decline funding has been suspended for FY 2009; therefore, Work Sheet A should not be completed. Districts that completed Work Sheet A for Rapid Decline using the preliminary forms should revise the applicable work sheets and update the budget forms due to the suspended funding for rapid decline.

Work Sheet I—The additional assistance per student for Soft Capital Allocation was increased.

Work Sheet J—Footnote 5 was revised to reflect the new restrictions on the amount of state aid that joint technological education districts (JTED) may receive in FY 2009. State aid for JTEDs is limited to 91% of the state aid that would otherwise be provided by law. However, a JTED will not receive less state aid

than it received for the previous year except from reductions due to changes in ADM, net assessed property values, or other technical factors, or due to prior year adjustments or corrections.

Budget, Page 6—The legislation created a new fund to account for building renewal grant monies that districts may request from the School Facilities Board. If districts receive these grant monies during the fiscal year, they should account for the grant in Fund 691—Building Renewal Grant. These monies may be used for major renovations and repairs to buildings, upgrading systems and areas that will maintain or extend the useful life of buildings, and infrastructure costs. Districts should budget for these monies on the existing Budget, page 6, under Other Funds, Line 38. This new fund will be included separately on the budget forms for FY 2010.

Desegregation Supplement—The restriction included in the original forms for desegregation will continue to be in effect for FY 2009.

If you have any questions or need assistance, please call the Office of the Auditor General, Accounting Services Division at (602) 553-0333, or the Arizona Department of Education, School Finance Unit at (602) 542-5695.

MDH/VGS/lm